

## Message Text

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PAGE 01 OSLO 03796 121545Z

72

ACTION EUR-25

INFO OCT-01 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 DRC-01 /176 W

----- 087805

R 121429Z OCT 73

FM AMEMBASSY OSLO

TO SECSTATE WASHDC 7231

ICIO RUESPNQ/AMEMBASSY COPENHAGEN 1913

AMEMBASSY HELSINKI

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

UNCLAS OSLO 3796

E.O. 11652: N/A

TAGS: ELAB, ECON, EFIN, NO

SUBJECT: NORWEGIAN COST OF LIVING INCREASE TRIGGERS SUBSIDY INCREASE

REF: OSLO A-163, JULY 6, 1973

1. AS THIRD PARTY TO LAST SPRING'S WAGE NEGOTIATIONS, THE NORWEGIAN GOVERNMENT AGREED THEN TO INCREASE ITS SUBSIDIES ON FOOD PRICES IF THE COST OF LIVING INDEX EXCEEDED 140.3 ON SEPTEMBER 15 (REFAIR, PAGE 7). THE SEPTEMBER 15 INDEX HAS JUST APPEARED AND REGISTERED 141. THE NORWEGIAN GOVERNMENT MUST, THEREFORE, INCREASE SUBSIDIES BY NKR. 122.5 MILLION (APPROXIMATELY \$22.3 MILLION).

2. NORWAY'S OUTGOING GOVERNMENT HAS PROPOSED THAT THE SUBSIDIES BE USED TO LOWER THE PRICES OF MILK, CHEESE, BUTTER AND MEAT. BOTH THE TRADE UNION FEDERATION AND THE EMPLOYERS' ASSOCIATION HAVE SUGGESTED THE INCREASED SUBSIDIES BE FINANCED BY GOVERNMENT ECONOMIES RATHER THAN BY INCREASED TAXES.

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PAGE 02 OSLO 03796 121545Z

3. NEGOTIATION OF NEXT YEAR'S SUBSIDY LEVELS, EFFECTIVE JULY 1, 1974

,  
WILL TAKE PLACE IN CONNECTION WITH NEXT SPRING'S WAGE NEGOTIATIONS.  
THE DEBATE ON HOW TO FINANCE AND USE THIS YEAR'S SUBSIDY INCREASE  
WILL FORM PART OF THE DEBATE OF NORWAY'S 1974 BUDGET WHICH WAS  
PRESENTED ON OCTOBER 11, 1973 BY THE OUTGOING GOVERNMENT. THE  
COST OF LIVING INDEX INCREASE TO 141 REPRESENTS A 6.7 PERCENT RISE  
BETWEEN SEPTEMBER 1972 AND SEPTEMBER 1973.  
BYRNE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COST OF LIVING, COST OF LIVING WAGE ADJUSTMENT, FOODS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973OSLO03796  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** OSLO  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19731035/aaaaazxd.tel  
**Line Count:** 69  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** OSLO A-163, JULY 6, 1973  
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**Review Date:** 12 SEP 2001  
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30 JUN 2005

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NORWEGIAN COST OF LIVING INCREASE TRIGGERS SUBSIDY INCREASE  
**TAGS:** ELAB, ECON, EFIN, NO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005